

Agency 80

Kansas Public Employees Retirement System

Articles

- 80-1. MEMBERSHIP.
- 80-2. MULTIPLE ENROLLMENT.
- 80-3. CREDIT AND BREAKS IN SERVICE.
- 80-4. MEMBERS' ACCOUNTS.
- 80-5. RETIREMENT.
- 80-6. ACTUARIAL TABLES.
- 80-7. INSURANCE.
- 80-8. BOARD ELECTION.
- 80-9. INVESTMENTS.
- 80-10 TO 80-44. RESERVED.
- 80-45. STATE SCHOOL RETIREMENT SYSTEM; RETIREMENT CREDIT.
- 80-46 TO 80-49. RESERVED.
- 80-50. POLICE AND FIREMEN; GENERAL.
- 80-51. POLICE AND FIREMEN; MEMBERSHIP.
- 80-52. POLICE AND FIREMEN; EMPLOYER ACCOUNT.
- 80-53. POLICE AND FIREMEN; CREDIT AND BREAKS IN SERVICE.
- 80-54. POLICE AND FIREMEN; MEMBERS' ACCOUNTS.
- 80-55. POLICE AND FIREMEN; RETIREMENT.
- 80-56. *POLICE AND FIREMEN; ACTUARIAL TABLES. (Not in active use)*

Article 1.—MEMBERSHIP

80-1-1. Year of service; commencement.

For the purpose of determining membership in the system under K.S.A. 74-4911 of the act, and amendments thereto, the year of service required for coverage under the retirement system shall commence with the first day the employee commences work with the employer in a covered position as defined by K.S.A. 74-4902(13), and amendments thereto. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-2. Year of service before entry date; service defined. For the purpose of determining membership in the system under K.S.A. 74-4911 (1) of the act, and amendments thereto, for an employee in employment on the employer's entry date, these definitions shall ap-

ply. (a) The word "service" as used in the "year of service" requirement shall mean all service for that employer before the employer's entry date; this service need not be continuous.

(b) After the entry date of the employer, "service" for this employee shall mean service in a covered position as defined by K.S.A. 74-4902(13), and amendments thereto, for that employer; this service shall be continuous.

However, when this employee becomes a member, the provisions of the act relating to the crediting of prior service and participating service shall apply. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-3. Year of service after entry date; service defined. For the purpose of determining membership in the system under K.S.A. 74-4911 (2) of the act, and amendments thereto, when a

person becomes an employee after the employer's entry date, the "year of service" required shall be in a position that is neither temporary nor seasonal and that requires at least 1,000 hours of work per year; this service shall be continuous. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-4. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-1-5. Military service; year of service.

(a) For the purpose of determining membership in the system under K.S.A. 74-4911 (4) of the act, and amendments thereto, employees in military service on the employer's entry date shall not become members of the retirement system until they return to the employment of a participating employer. In the case of any employee whose combined public employment and military service does not equal one year at the time of the employee's return to employment, the date of membership shall be the first day of the payroll period coinciding with or following the completion of one combined (public employment and military service) year of service.

(b) Employees who enter the military service from their employment after the employer's entry date, who are eligible for crediting of military service pursuant to K.S.A. 74-4913(1)(b), and amendments thereto, and who have not completed one year of service at the time of their entry into the military service shall not become members of the retirement system until they return to the employment of a participating employer. In the case of an employee whose combined public employment and military service does not equal one year at the time of the employee's return to employment, the date of membership shall be the first day of the payroll period coinciding with or following the completion of one combined (public employment and military service) year of service.

(c) In each of the above instances, the member shall be granted service credit for the period of military service. The partial year of service actually worked before or after military service may be purchased pursuant to K.S.A. 74-4919a, and amendments thereto. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15, 74-4913, as

amended by L. 1998, ch. 201, § 16; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-6. Active military duty; terminal leave. For the purpose of determining membership in the system under K.S.A. 74-4911 of the act, and amendments thereto, in the cases involving military service leaves, return to public employment shall be deemed to be immediate if it occurs within the provisions of K.S.A. 74-4902 (22), and amendments thereto, after the termination of active military duty. "Active military duty," as used in this regulation, shall include terminal leave. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Jan. 1, 1969; amended Sept. 10, 1999.)

80-1-7. Employee; defined. For the purpose of determining membership in the system under K.S.A. 74-4902 (13) and 74-4902 (14) of the act, the term "employee" shall be construed to mean an individual who is covered by social security, who is employed by an employer in an office or position, which position or office requires a period of at least 1,000 hours per year and for which compensation is actually paid. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-1-8. Year of service; no compensation; effect of. For the purpose of determining membership in the system, a member will not be granted service credits for periods of holding public office, employment or position for which no "compensation," as defined in the act, was payable under statute, ordinance or regulation existing at the time he held such office, position, or employment. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-1-9. Employer's entry date; employees affected. For the purpose of determining the employees' membership in the system and the employer's entry date for specific employees, those court decisions and attorney general opinions that establish the employer of employees in specific positions shall apply. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4910, as amended by L. 1998, ch. 201, § 14 and 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-10. Eligible employers. (a) For the purpose of determining whether or not an entity is an “eligible employer” under K.S.A. 74-4902(13) and K.S.A. 74-4910 of the act, and amendments thereto, the entity shall qualify under the standards controlling the system’s governmental-plan status as provided in 26 U.S.C. § 414(d) of the federal internal revenue code, which is defined in K.S.A. 74-4902(35), and amendments thereto, requiring that only governmental units, or agencies or instrumentalities of governmental units, shall be eligible employers. The following factors shall be considered when determining whether an employer constitutes an instrumentality of a governmental unit:

- (1) The existence of any specific legislation authorizing the employer;
- (2) the source of funds for the employer;
- (3) the manner in which the trustees or operating board members of the employer are selected;
- (4) the governmental unit’s consideration of the employees to be employees of the governmental unit; and

(5) the degree of control that the state or local government has over the employer.

(b) Any employer that is a current or prospective participant in the retirement system may be required by the retirement system to obtain a ruling from the internal revenue service as to the employer’s status as a governmental instrumentality or as to the impact of the employer’s participation in the retirement system. (Authorized by K.S.A. 1998 Supp. 74-4909; implementing K.S.A. 1998 Supp. 74-4910; effective Jan. 1, 1966; amended, E-74-5, Nov. 7, 1973; amended May 1, 1975; amended Sept. 10, 1999.)

80-1-11. Continuous employment construed; reorganization. The consolidation, reorganization, combination, or separation of a participating employer from one unit into two or more units, or from two or more units into a smaller number of units, shall not result in an interruption of an employee’s continuous employment in a covered position for the same employer, for purposes of determining credited service under K.S.A. 74-4913, and amendments thereto, when the employee’s position is or was continuously under the control of one of the units so consolidated, reorganized, combined, or separated. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing

K.S.A. 1997 Supp. 74-4913, as amended by L. 1998, ch. 201, § 16; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-1-12. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-1-13. Employee of employer; construed. For the purpose of determining membership in the system, an employee will be considered to be the employee of the employer from whom his compensation is or was received. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

Article 2.—MULTIPLE ENROLLMENT

80-2-1. Multiple employment; definition and requirements. Except for members of the legislature covered by K.S.A. 74-4994(5), and amendments thereto, in any case in which an individual holds more than one position, office, or employment with different participating employers that is covered by the retirement system, the following provisions shall apply to the individual’s membership. (a) “Dual employee” means any employee who holds covered positions with two or more participating employers and who meets the eligibility requirements for membership at each position. For each dual employee, coverage under each position shall be determined separately, in accordance with the provisions of the act and the membership rules and regulations.

(b) “Concurrent employee” means any school employee who holds more than one position with different participating school employers but who does not qualify for membership under any one participating school employer. Each concurrent employee shall qualify for membership if the total required hours of all positions equal or exceed 630 hours per year. The burden of electing coverage under the concurrent employee provisions shall be on the employee.

(c) Contributions shall be deducted from the salary of all positions that qualify for coverage, and service shall be credited pursuant to K.A.R. 80-2-2.

(d) “Totality of employment” means that employee and employer contributions shall be remitted on the compensation of all positions filled by an employee with the same participating employer, if at least one position meets the definition of employee in K.S.A. 74-4902(14) or K.S.A. 74-4932(4), and amendments thereto. All state of

Kansas agencies, including board of regents institutions, shall constitute one employer. An employee of any state agency in a covered position who also works in a non-covered position for the same or another state agency shall have contributions withheld from compensation for all positions. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15, K.S.A. 74-4919, as amended by L. 1998, ch. 64, § 37, K.S.A. 1997 Supp. 74-4920, as amended by L. 1998, ch. 201, § 26, 74-4965, as amended by L. 1998, ch. 64, § 79, and 74-4967; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-2-2. Multiple employment prior service credit; contributions; termination; retirement; construed. For all service credit purposes, all multiple employment shall be combined as though it were for a single employer.

(a) Prior service credits shall be given for all periods of prior service in all covered positions: Provided, That no more than one month of credit shall be given for any one specific calendar month of service. Participating service credits shall be given for all periods of participating service in all covered positions as reported by the employer: Provided, That no more than one quarter of credit shall be given for any one specific calendar quarter of service.

(b) For all claims purposes a multiple enrollment account shall be treated as though the individual were in one position.

(1) Refunds of accumulated contributions shall be made only in the event of termination of employment in all positions covered by the retirement system.

(2) Eligibility for a retirement benefit shall only be reached upon termination of all employment in positions covered by the retirement system.

(3) In the event of retirement, benefits shall be based upon the combined credited service and compensation from all positions covered under the retirement system. For the purposes of determining "final average salary," only the compensation upon which contributions are received shall be used. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended Jan. 1, 1969.)

80-2-3. Multiple employment; designation of beneficiary. An individual in multiple employment may for administrative reasons complete enrollment and other forms prescribed by

the board of trustees, and if different designations of beneficiary are received, the board will recognize only the last one filed with the retirement system. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-2-4. Multiple employment; prior service annual salary. An individual who is in multiple employment on the entry date of one of his employers and at a later date another of his employers becomes a participating employer, his prior service annual salary shall be determined by adding the compensation the member received from all participating employers in any one of the three years immediately prior to the entry date of the first employer. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1969.)

Article 3.—CREDIT AND BREAKS IN SERVICE

80-3-1. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-3-2. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-3-3. Same; break in service; defined. For prior service credit purposes, any period in which the employee was off the payroll of his entry date employer, except when on military leave or leave of absence, shall constitute a break in service. This rule shall not apply to members coming within the purview of rule 80-3-1. For prior service credit purposes, military leave credit shall not be given under rule 80-3-3 if the employee does not return to employment with the employer from whose employment he went on military leave and who was his employer on the employer's entry date. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-3-4. Participating service credit; granted when; leaves of absence; military leave; contributions. For the purpose of determining participating service credit, if an employee is on leave of absence, without pay, the employee shall be identified as being in this category by the employer on the remittance report. Military leave shall be creditable at the rate of one quarter of credit for each calendar quarter of military leave. For the purpose of determining participating service credit, these military leave credits shall not

apply if the employee does not return to employment in accordance with K.S.A. 74-4902(22), and amendments thereto, with a participating employer. No contributions shall be made by the member or the member's employer specifically for the period of military leave. All participating employers shall share in the liabilities created by the granting of service credits for military leave. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4913, as amended by L. 1998, ch. 201, § 16; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-3-5 to 80-3-6. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-3-7. Participating service; recording of; compensation. Participating service shall be recorded for a member for each calendar quarter for which contributions based on compensation for service are reported by the employer. No more than one quarter of credit shall be given for any calendar quarter: *Provided*, This rule shall not modify or change the provisions of rule and regulation 80-3-4. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-3-8. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-3-9. Withdrawal of contributions; payment of interest on account. (a) Any member formally challenging termination of employment by means of any administrative or judicial review process shall not be eligible to apply for withdrawal until the process has been concluded. The "administrative or judicial review process" shall mean any proceeding under the civil service act, K.S.A. 75-2925 et seq.; the administrative procedure act, K.S.A. 77-501 et seq.; and the act for judicial review and civil enforcement of agency actions, K.S.A. 77-601 et seq. Any member who succeeds in a challenge and is returned to employment by the employer shall have no break in service if the member is awarded back wages or salary. Payments of back wages or salary that result from a successful challenge shall be subject to employer and employee contributions.

(b) Each member who is not employed by a participating employer shall be deemed to have withdrawn that member's accumulated contributions and to have terminated membership in the retirement system and forfeited all membership

rights, except the right to receive a refund of accumulated contributions, at the time the application for withdrawal is received in the office of the retirement system. Submission of this application shall be irrevocable.

(c) A member account for which a valid application for withdrawal is received in the office of the retirement system before June 30 shall not be credited with interest on June 30 as provided in K.S.A. 74-4922(a), and amendments thereto; this ineligibility for interest crediting shall include any member account for which a valid application for withdrawal is received before June 30 and is required to be held for processing for up to 90 days pending spousal consent pursuant to K.S.A. 74-4917b(2)(b), and amendments thereto. A valid application for withdrawal shall be fully completed according to the instructions on the KPERs withdrawal application form.

(d) Payment by the retirement system of the accumulated contributions shall be deemed final at the time the payment is made, and neither shall additional contributions be accepted from nor rebates be made to former employers of the withdrawn member after the retirement system makes the payment. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4917, as amended by L. 1998, ch. 201, § 19; effective Jan. 1, 1966; amended May 1, 1978; amended Sept. 10, 1999.)

80-3-10. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked, E-69-2, Oct. 17, 1968; revoked Jan. 1, 1969.)

80-3-11. Prior service credit; proof of. In the event that a member making claim for prior service credit finds that such prior service cannot be verified by the employer from official records of the employer due to the nonexistence of the records of said employer, the member shall submit proof of such prior service such as may be required by the board of trustees of the retirement system. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-3-12. Military service credit, time for claiming. An employee who returns from military service to the employment of a participating employer must provide the employer and retirement system with the original or a certified copy of his military discharge or separation papers within three months after his reemployment with said

participating employer when it is his desire to claim his military service credit. In the event that such employee fails to file, within the time herein before prescribed, it shall be presumed he has waived service credit for the period of military service. However, if any person shall present evidence satisfactory to the board that his failure to file such military separation papers within said time period was due to lack of knowledge or incapacity on his part, said military service credit may be re-established at a later date. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1970.)

80-3-13. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-3-14. Years of service; early retirement or vested benefit; computation of. For the purpose of computing the number of years of service to determine the eligibility of a member for an early retirement or a vested benefit, the years and months of credited prior service and the years and quarters of credited participating service shall be combined before rounding to the nearest whole year. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-3-15. Participating service; purchase of year of service. If an individual has a year of service followed by a period of participating service that has been forfeited because of termination of employment and withdrawal of contributions, this member shall first have the forfeited participating service reinstated under the provisions of K.S.A. 74-4919, and amendments thereto, before participating service credit for the year of service preceding the forfeited service may be purchased. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 74-4919, as amended by L. 1998, ch. 64, § 37; effective, E-71-37, Sept. 8, 1971; effective Jan. 1, 1972; amended Sept. 10, 1999.)

80-3-16. Military service; purchase of credit for. (a) For the purpose of purchasing participating service credit under K.S.A. 74-4919h, and amendments thereto, active service in the armed forces shall not include periods of active duty for training. Periods of reserve time to fulfill the initial service requirements of 10 U.S.C. § 651(a) as in effect on the date the member's service commenced, including active duty for training, may be purchased at the rate of one quarter for each year of service in active or inactive reserves.

For the purpose of determining the amount of

participating service credit that may be purchased, the member's military service shall be converted to months and divided by three to determine the number of quarters that may be purchased. Any fractional remainder shall constitute a quarter that may be purchased.

(b) Notwithstanding subsection (a) of this regulation, all requirements of the uniformed services employment and reemployment rights act of 1994, chapter 43 of title 38 U.S.C., as defined in K.S.A. 74-4902(36), and amendments thereto, shall be observed by the retirement system. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4919h, as amended by L. 1998, ch. 201, § 21; effective, E-74-38, July 2, 1974; effective May 1, 1975; amended Sept. 10, 1999.)

Article 4.—MEMBERS' ACCOUNTS

80-4-1. Members' accounts; identification of. Members' accounts during active service shall be maintained on the basis of social security numbers. In addition, special identifying retirement system numbers may be assigned at the time of claim, termination of service, or death. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4911, as amended by L. 1998, ch. 201, § 15; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-4-2. (Authorized by K.S.A. 1977 Supp. 74-4909; effective Jan. 1, 1966; amended May 1, 1978; revoked Sept. 10, 1999.)

80-4-3. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-4-4. Members' accounts; reconciliation of. In order to facilitate the reconciliation of members' accounts upon withdrawal, death, or retirement, no rebates or additional contributions shall be made if these adjustments involve amounts of \$25 or less. Any internal adjustments that may be required shall be made from time to time by transfer from and to the retirement benefit accumulation reserve. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4916, as amended by L. 1998, ch. 64, § 34, 74-4917, as amended by L. 1998, ch. 201, § 19, 74-4918, as amended by L. 1998, ch. 64, § 36, 74-4958, as amended by L. 1998, ch. 64, § 69, 74-

4958a, as amended by L. 1998, ch. 64, § 70, 74-4959, as amended by L. 1998, ch. 64, § 71, 74-4963, as amended by L. 1998, ch. 201, § 40, and 74-4963a, as amended by L. 1998, ch. 201, § 41; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-4-5. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-4-6. (Authorized by K.S.A. 1977 Supp. 74-4909; effective May 1, 1978; revoked Sept. 10, 1999.)

Article 5.—RETIREMENT

80-5-1. Retirement allowance calculation; basis of. The following procedures shall be used for the purpose of determining the basis of the retirement allowance calculation. (a)(1) Months of prior service credited to a member shall be divided by 12 to arrive at the total number of years. If the remainder is less than six months, it shall be disregarded. If the remainder is six months or more, it shall be counted as an additional year.

(2) Quarters of participating service credited to a member shall be divided by four to arrive at the total number of years. All quarters of purchased service shall be combined with other service before calculation of total years. If the remainder is two quarters or more, it shall be counted as an additional year; if the remainder is less than two quarters, it shall be disregarded.

(b) For the determination of “final average salary,” a year shall consist of four quarters of credited service whether continuous or not.

(c) The last quarter of compensation before the member’s retirement date may be excluded if the member’s retirement benefit would be adversely affected by including this quarter of compensation. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4915; effective Jan. 1, 1966; amended, E-72-27, Sept. 29, 1972; amended Jan. 1, 1973; amended Sept. 10, 1999.)

80-5-2. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-5-3. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1970; revoked Sept. 10, 1999.)

80-5-4 and 80-5-5. Reserved.

80-5-6. Compensation; defined. (a) For

the purpose of determining contributions to the retirement system for participating service, the compensation of the member shall include the following, with exceptions as noted in subsection (b):

(1) All amounts upon which the employer withholds and pays federal withholding, social security tax, or medicare tax. These amounts shall include the imputed taxable value of any economic advantage, opportunity, or privilege granted to the member by the employer;

(2) to the extent not included in paragraph (1) above, all amounts sheltered from income taxation under 26 U.S.C. §§ 125, 403(b), and 457 of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto; and

(3) to the extent not included in paragraphs (1) and (2) above, all amounts that represent the value of maintenance, board, lodging, laundry, tuition assistance, goods and services, and other allowances to members by employers in lieu of money; and

(4) for members who were first employed in a covered position before July 1, 1993, the amount of lump-sum termination payments for vacation, sick leave, and compensatory time.

(b) For the purpose of determining contributions to the retirement system for participating service, the compensation of the member shall not include the following:

(1) Any amounts that are not counted, according to any law or regulation of the state of Kansas, in a member’s final average salary for calculations of retirement benefits;

(2) the imputed taxable amount for life insurance coverage above \$50,000;

(3) reimbursement for actual expenses;

(4) payments under any early retirement incentive program paid before the retirement of the member; and

(5) for those first hired after July 1, 1996, any compensation above \$150,000 per year, as indexed, in accordance with 26 U.S.C. § 401(a)(17) of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto.

(c) Notwithstanding any rule and regulation or other provision of law to the contrary, the sum of contributions shall not exceed the limits under 26 U.S.C. § 415(c) of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4915; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-5-7. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended Jan. 1, 1970; revoked Sept. 10, 1999.)

80-5-8. Reserved.

80-5-9. Date of birth; proof of. (a) Retirement benefits shall be approved for payment to a member only after proof of the date of birth of the member. A member making application for retirement benefits shall present any evidence of date of birth that may be required by the board of trustees of the public employees retirement system.

(b) Additional proof of date of birth may be required by the board of trustees if the document or documents submitted are not, in the opinion of the board of trustees, sufficient evidence of proof of date of birth. A photocopy of the proof of date of birth shall be attached to or made a part of the application for retirement benefits. Listed below are materials that may be used as proof of date of birth, the first item on the list being the most acceptable and the following items listed in the order of preference:

- (1) A birth certificate;
 - (2) a baptismal certificate or a statement as to the date of birth shown by a church record, certified by the custodian of this record;
 - (3) notification of registration of birth in a public registry of vital statistics;
 - (4) certification of record of age by the U.S. census bureau;
 - (5) hospital birth record, certified by the custodian of this record;
 - (6) a foreign church or government record;
 - (7) a signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on these records;
 - (8) naturalization record; or
 - (9) immigration papers.
- (c) If proof in accordance with paragraphs (b)(1) through (b)(9) above cannot be provided, then the member shall submit proof for at least TWO of the items listed below:
- (1) Military record;
 - (2) passport;
 - (3) school record, certified by the custodian of this record;
 - (4) vaccination record, certified by the custodian of this record;
 - (5) an insurance policy showing the age or date of birth;
 - (6) marriage records showing date of birth or

age (application for marriage license or church records, certified by the custodian of this record, or marriage certificate); or

(7) other evidence, including signed statements from persons who have knowledge of the date of birth. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4915; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-5-10. Designation of beneficiaries. A member may designate any natural person or persons, trust, or estate as beneficiary. This designation may be made on the designation of beneficiary form or a written document filed with the system. Any documents other than the forms furnished by the system shall state the name, address, relationship, and date of birth or other information of sufficiency to establish the identification of the individual so designated. The written notice shall be dated and signed by the member, and the signature shall be witnessed by an individual other than a designated beneficiary. Attorneys-in-fact, conservators, and guardians shall not change any designation of beneficiary. (Authorized by K.S.A. 1998 Supp. 74-4909; implementing K.S.A. 1998 Supp. 74-4902(7); effective Jan. 1, 1970; amended Sept. 10, 1999.)

80-5-11. Designation of beneficiary; recognition upon receipt. Except as applicable under K.A.R. 80-5-18, only those designations of beneficiary that are received in the retirement system office shall be recognized by the board of trustees. Eligible employees who are in their year of service shall file the beneficiary form with the employer. The employer shall keep the form on file until the employee becomes a member or dies. At that time, any completed beneficiary forms received by the designated agent shall be sent to the retirement system office, along with all other appropriate forms. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4902(7), as amended by L. 1998, ch. 201, § 9; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-5-12. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-5-13. Designation of beneficiary; multiple; recognition of. When more than one designation of beneficiary has been made by a member, the latest one received in the retirement system office, or employer office as provided in

K.A.R. 80-5-11, shall be recognized by the board of trustees. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4902(7), as amended by L. 1998, ch. 201, § 9; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-5-14. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-5-15. Retirement date; leaves of absence and vacations, break in service requirement. (a) Unless otherwise specified in the retirement act, the retirement date shall be no earlier than the later of the first day of the month following the member's last day on payroll or the first day of the month following receipt of the retirement application in the retirement system office. For the purpose of administration of the act, a member shall not be deemed to have retired while the member is on vacation leave, terminal leave, sick leave, or any other leaves of absence. Payment for these leaves shall be considered compensation for employment within the meaning of the act.

(b) For the purpose of retirement, a member shall terminate employment with all participating employers and shall not return to employment with a participating employer in a covered position until the member has a break in service. A break in service shall be a period of time during which the member is not employed by any participating employer and shall include the first day of the retirement month. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4914, as amended by L. 1998, ch. 201, § 17, K.S.A. 74-4914a, 74-4914b, 74-4914c, and 74-4914d, K.S.A. 1997 Supp. 74-4937, as amended by L. 1998, ch. 201, § 31, 74-4957, as amended by L. 1998, ch. 201, § 36, and 74-4957a, as amended by L. 1998, ch. 201, § 37; effective Jan. 1, 1966; amended, E-66-15, Sept. 20, 1966; amended Jan. 1, 1967; amended Sept. 10, 1999.)

80-5-16. Retirement life certain options; designation of beneficiary. In the event of the death of a retired member who has selected one of the life certain retirement options (life annuity with 5, 10, or 15 years certain), and in the further event of the death of the designated beneficiary after the death of the retirant but before the 5-, 10-, or 15-year certain period has elapsed, the balance of the monthly benefit payments due

under this option shall be paid to the person designated by the beneficiary, otherwise to the beneficiary's estate. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4918, as amended by L. 1998, ch. 64, § 36, 74-4964, as amended by L. 1998, ch. 64, § 77, and 74-4964a, as amended by L. 1998, ch. 64, § 78; effective Jan. 1, 1966; amended Sept. 10, 1999.)

80-5-17. Child; defined. For the purposes of K.S.A. 74-4902 (11) of the act, the word "child" as used therein shall be deemed to include a son or daughter irrespective of age; an adopted son or daughter, an illegitimate son or daughter provided the member parent is its mother or in the case of the member parent being its father, the acknowledged son or daughter of said member. Said word "child" shall not be deemed to include stepchildren of the member, grandchildren, nor unacknowledged illegitimate children of a male member. Nor shall the fact that a member stands in loco parentis to a person be construed as bringing said person within the meaning of the word "child" except as herein specifically provided. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966.)

80-5-18. Designation of beneficiary; filing with institution. (a) Members of the faculty and other persons employed by educational institutions under the management of the state board of regents and the state board of education who are receiving assistance in the purchase of a retirement annuity as set out in K.S.A. 74-4925, and amendments thereto, and who are members for the purpose of having provided the "insured death benefit" and "long-term disability benefit" as prescribed in K.S.A. 74-4927, and amendments thereto, shall designate beneficiaries on forms provided by the system and shall file the designation of beneficiary with the designated agent for the institution. The designation of beneficiary shall become effective upon the filing of a properly completed form with the designated agent and shall cancel any and all other designations of beneficiaries that may have been made for payments of benefits under the Kansas public employees retirement system. If a member described above who has previously attained membership in the Kansas public employees retirement system files a designation of beneficiary as provided above, the designated agent of the institution shall

immediately forward the designation of beneficiary to the retirement system.

(b) K.A.R. 80-5-10 through 80-5-14 shall apply to employees of the educational institutions specified above, as appropriate. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4925; effective Jan. 1, 1974; amended Sept. 10, 1999.)

80-5-19. Partial lump sum option; death of member. (a) If a married member who has elected the partial lump sum option pursuant to K.S.A. 74-4918(3)(G), and amendments thereto, dies after the member's retirement date and before the distribution of the partial lump sum, the partial lump sum may be distributed to the member's surviving spouse.

(b) If an unmarried member who has elected the partial lump sum option pursuant to K.S.A. 74-4918(3)(G), and amendments thereto, dies after the member's retirement date and before the distribution of the partial lump sum, the partial lump sum may be distributed to the member's beneficiary or beneficiaries.

(c) To the extent allowed under federal tax law, any lump sum that is distributed to a surviving spouse as specified in subsection (a) may be rolled over to a traditional individual retirement account (IRA). (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4918, as amended by L. 2001, Ch. 209, Sec. 15; effective Nov. 2, 2001.)

80-5-20. Partial lump sum option; commencement of monthly benefits. (a) If a member elects a partial lump sum option pursuant to K.S.A. 74-4918(3)(G) and amendments thereto, the member's monthly payments shall commence on the first regular monthly payment date after the system has paid the member the partial lump sum distribution according to the option chosen.

(b) The member's first monthly benefit payment shall include all monthly payments that are due and owing on the date the first monthly payment is made. (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4918, as amended by L. 2001, Ch. 209, Sec. 15; effective Nov. 2, 2001.)

80-5-21. Partial lump sum option; recovery of debt owed by member to system. If a member elects a partial lump sum option pursuant to K.S.A. 74-4918(3)(G) and amendments

thereto, any debt owed by the member to the system may be recovered as an offset against the member's partial lump sum distribution. (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4918, as amended by L. 2001, Ch. 209, Sec. 15; effective Nov. 2, 2001.)

80-5-22. Partial lump sum option; actuarial assumptions used in calculating partial lump sum distribution. If a member elects a partial lump sum option pursuant to K.S.A. 74-4918(3)(G) and amendments thereto, the assumptions used in establishing the actuarial present value of the benefit shall consist of the following: (a) An assumed annual investment return of eight percent, compounded annually; and

(b) mortality rates in the "mortality table" adopted by the KPERS board of trustees on January 19, 2001, which is hereby adopted by reference. (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4918, as amended by L. 2001, Ch. 209, Sec. 15; effective Nov. 2, 2001.)

Article 6.—ACTUARIAL TABLES

80-6-1 and 80-6-2. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked, E-72-27, Sept. 29, 1972; revoked Jan. 1, 1973.)

80-6-3. (Authorized by K.S.A. 74-4909; effective, E-66-4, April 26, 1966; effective Jan. 1, 1967; revoked Jan. 1, 1974.)

80-6-4. Value of workmen's compensation benefits, determination of. (a) For the purpose of determining the value of "any workmen's compensation benefits paid or payable to the recipient of an accidental total disability benefit" under K.S.A. 74-4916(3) (g) to be deducted from the amounts payable under the provisions of clause (a) of subsection (3) of said section, the amount paid for medical and hospital expenses shall be disregarded. In the case of any accidental total disability benefit approved on or after May 15, 1973, the amount of any attorney fees allowed under K.S.A. 1972 Supp. 44-536 and acts amendatory thereof and supplemental thereto shall be disregarded if the award for disability compensation is equal to 75% or more of the maximum award which could be made for disability compensation under the workmen's compensation act at the time disability commenced.

(b) In determining the amount of the annual benefit provided in K.S.A. 74-4916 (3) (a) in those

cases where workmen's compensation benefits are paid or payable to the recipient of such annual benefit the following formula shall be used in making the calculation:

Present value of one-half ($\frac{1}{2}$) of the member's final average salary less the present value of all workmen's compensation benefits paid or payable divided by the present value of one-half ($\frac{1}{2}$) of the member's final average salary. This quotient is to be multiplied by one-half ($\frac{1}{2}$) the final average salary. This formula may be expressed as:

$$\frac{(\text{Present value of } \frac{1}{2} \text{ FAS}) \text{ minus} \\ (\text{Present value Workmen's} \\ \text{Compensation Benefit})}{(\text{Present value of } \frac{1}{2} \text{ FAS})} \times (\frac{1}{2} \text{ FAS})$$

(Authorized by K.S.A. 74-4909; effective, E-66-8, July 13, 1966; effective Jan. 1, 1967; amended, E-73-17, May 25, 1973; amended Jan. 1, 1974.)

Article 7.—INSURANCE

80-7-1. Annual rate of compensation. (a) "Annual rate of compensation" as used in K.S.A. 74-4927, and amendments thereto, shall mean either the current annual rate of pay or the amount of compensation the member earned in the last 12 months before the date of the member's death or disability, whichever is higher.

(b) At the time of death or disability, the employer shall certify to the retirement system the current annual rate of pay of the member and the amount of compensation actually earned by the member in the 12-month period immediately preceding the month in which the member's death or disability occurred.

(c) If the member was employed fewer than 12 months at the time of death or disability, the employer shall certify the current annual rate of pay of the member and the amount of compensation actually earned by the member for the period of time during which the employee was actually employed.

(d) If an employer has designated, in writing, certain positions that are filled by employees who from time to time are not actively employed but who are permanent employees who will return to active employment at a date certain, not to exceed 92 days, these employees shall be considered active employees for insurance purposes during this period. No employer may designate any position or employee as provided above more than once in any 12-month period. The annual rate of compensation for these employees shall be certified by the employer at the time any claim for insurance benefits is made. Each member's "annual rate of com-

pensation" during the period the member is not actively employed shall be computed as set forth above. This computation shall be as of the first day of the period in which the employee was so classified.

(e) The annual rate of compensation on or before the date of disability or death for members who are state of Kansas employees shall be based upon the records maintained by the division of personnel of the department of administration.

(f) If a member becomes disabled and subsequently dies without returning to active employment, the "annual rate of compensation" for any death benefits shall be the same compensation that was determined at the time the disability commenced or in the 12-month period immediately preceding the month in which the member's separation from the payroll occurred, whichever is higher. If the member is disabled for five years or more, the compensation shall be adjusted pursuant to K.S.A. 74-4927(2)(C), and amendments thereto.

(g) For the purpose of this regulation, retroactive changes made after the date of death or disability shall be considered in determining the annual rate of compensation. In case of doubt, "annual rate of compensation" shall be determined by the board. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4927, as amended by L. 1998, ch. 201, § 29; effective, E-68-3, Dec. 8, 1967; effective Jan. 1, 1969; amended, E-73-17, July 1, 1973; amended Jan. 1, 1974; amended, E-74-38, July 2, 1974; amended May 1, 1975; amended Sept. 10, 1999.)

Article 8.—BOARD ELECTION

80-8-1. Definitions. (a) "Board" means the board of trustees of the Kansas public employees retirement system (KPERs).

(b) "Executive Secretary" means the executive secretary of the Kansas public employees retirement system (KPERs).

(c) "Member" means an active or retired member of the system.

(d) "System" means the Kansas public employees retirement system (KPERs), the Kansas police and firemen's retirement system, and the retirement system for judges. (Authorized by K.S.A. 1991 Supp. 74-4909, as amended by L. 1992, ch. 218, sec. 6; implementing K.S.A. 74-4905, as

amended by L. 1992, ch. 218, sec. 1; effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993.)

80-8-2. Nominations. Any member who desires to be a candidate for election to the board may have the member's name placed on the ballot by submitting a petition to the board that meets the following conditions. (a) Each petition shall be accompanied by the signatures of at least 100 members of the system who desire to have the petitioner's name on the ballot. Each signature shall include all or part of the signer's social security number as required by the system. The signature of each active member shall include the name of the member's current employer. The signature of each retired member shall include the name of the signer's employer at the time of retirement. The petition shall be in a form provided by the system.

(b) Each petitioner shall submit a resume of qualifications. The resume shall be limited to 150 words and shall contain only biographical data. The petitioner's views on issues and other election comments shall not be permitted. The resume shall be in a form acceptable to the board, which shall be provided to the petitioner following approval of a valid petition.

(c) Each petitioner's membership in the system and the signature and membership of at least 100 of the signers of each petition shall be verified by the executive secretary.

(d) The notice to submit petitions shall be distributed in the year preceding the year in which the term of an elected trustee expires. The notice shall announce the forthcoming election and shall contain any other information that the executive secretary deems appropriate.

(e) Each petition shall be received in the system's office on or before 5:00 p.m. central standard time of November 30 in the calendar year preceding the expiration of the term of an elected trustee and shall be verified only for the election announced in the notice described in subsection (d) above.

(f) When there is only one nomination for a vacancy, the candidate shall be declared to be elected to the board at the April meeting.

(g) System employees shall not be nominated and shall not stand for election to the KPERS board of trustees.

(h) School members may nominate and vote for only school members. Non-school members may nominate and vote for only non-school mem-

bers. (Authorized by K.S.A. 1997 Supp. 74-4909(12), as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4905(a)(2), as amended by L. 1998, ch. 201, § 11; effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993; amended, T-80-9-11-96, Sept. 15, 1996; amended Dec. 20, 1996; amended Sept. 10, 1999.)

80-8-3. Voting. (a) Voice Response Voting.

(1) Contents.

(A) Candidate listings shall be prepared by the executive secretary and shall:

(i) List in alphabetical sequence the names of the candidates; and

(ii) contain a resume of not more than 150 words listing the qualifications of each candidate.

(B) Separate candidate listings shall be prepared for the board position for a school member and the board position for a non-school member, as necessary.

(2) Distribution.

(A) A candidate listing shall be distributed to each member in March of the calendar year in which the term of an elected trustee expires. Active member candidate listings shall be distributed to active members through the employers' designated agents. Retired member candidate listings shall be distributed directly to retired members by mail.

(B) The system shall maintain a listing of the names and social security numbers of each member to whom a candidate listing was sent.

(3) Voting will be by voice response using touchtone telephones.

(A) In accordance with subsection (a)(2)(B) of Section 7 of Pub. L. 93-579 (5 U.S.C. § 552a note) and K.A.R. 80-4-1, because KPERS uses social security numbers for the purpose of maintaining member records, the member's social security number shall be the voter registration number for this election process. Use of the social security number in this process shall be mandatory. There shall be no public disclosure of the social security numbers.

(B) Each member shall have from receipt of the candidate listing until April 30 to vote by touchtone telephone using a voice response system.

(C) The system shall keep a daily record of the number of votes received.

(b) Alternate voting method.

(1) The system shall set up an alternate method

of voting for those individuals who may not have access to a touchtone telephone. Under the alternate method the member calling will be identified using the member's social security number. An alternate paper ballot shall be mailed to the member which the member shall return postmarked by 5:00 p.m. on April 30 as specified in paragraph (a)(3)(B) above.

(A) In accordance with subsection (a)(2)(B) of Section 7 of Pub. L. 93-579 (5 U.S.C. § 552a note) and K.A.R. 80-4-1, because KPERS uses social security numbers for the purpose of maintaining member records, the member's social security number shall be the voter registration number for this election process. Use of the social security number in this process shall be mandatory. There shall be no public disclosure of the social security numbers.

(B) The postmark date on the return envelope shall determine whether the alternate paper ballot has been returned within the prescribed period. The system shall date stamp all envelopes which are either hand delivered, not postmarked or received by the system after the last day for the return of alternate paper ballots.

(C) Each alternate paper ballot received after the time prescribed for the return of ballots shall be kept separately for inspection and disposition by the election committee.

(D) The system shall keep a daily record of the number of alternate paper ballots received.

(2) Tallying of alternate paper ballots.

(A) The system may tally the number of alternate paper ballots not earlier than four days after the last day for the return of alternate paper ballots by mail.

(B) Votes shall not be counted for write-in candidates. Alternate paper ballots where the number of votes exceeds the number of positions available shall not be counted. No alternate paper ballot containing an erasure shall be counted. Alternate paper ballots shall be marked pursuant to the instructions contained on the ballot or as provided by the system. The election committee shall be the sole judge as to the validity of any questionable ballot.

(C) Each alternate paper ballot which has been tallied shall be held by the system for a period of at least 30 days following the day when the last successful candidate takes office.

(c) Tallying of total vote count. After the final alternate paper ballot votes are counted, the votes

shall be combined with the voice response totals to determine the winning candidates.

(d) Recounts.

(1) A recount of an election may be ordered by the board when the election plurality of the winning candidate over the candidate with the next highest number of votes is less than one percent of the total number of votes cast for all candidates contesting for the vacancy.

(2) Any candidate may request a recount, providing the candidate pays the total cost of the recount in advance. (Authorized by K.S.A. 1995 Supp. 74-4909(12); implementing K.S.A. 1995 Supp. 74-4905(a)(2); effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993; amended, T-80-9-11-96, Sept. 15, 1996; amended Dec. 20, 1996.)

80-8-4. Election committee. (a) The executive secretary shall appoint an election committee of three members who shall supervise the voting process. This supervision shall include the following:

(1) tallying the voice response votes;

(2) opening and tallying the alternate paper ballots; and

(3) certifying to the board the results of the election upon completion of the tally.

(b) The election committee shall also supervise the tallying of votes for any recount. (Authorized by K.S.A. 1995 Supp. 74-4909(12); implementing K.S.A. 1995 Supp. 74-4905(a)(2); effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993; amended, T-80-9-11-96, Sept. 15, 1996; amended Dec. 20, 1996.)

80-8-5. Certification. Upon receipt of the certified results of the election from the election committee, the board shall declare as elected the person receiving the highest number of votes for each vacancy. (Authorized by K.S.A. 1991 Supp. 74-4909, as amended by L. 1992, ch. 218, sec. 6; implementing K.S.A. 74-4905, as amended by L. 1992, ch. 218, sec. 1; effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993.)

80-8-6. Time computation. In computing any period of time, the day of the act, event or default after which the designated period of time begins to run shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday or holiday, in which case the last day shall be the next day following the Saturday, Sunday or holiday. (Authorized by K.S.A. 1991 Supp. 74-4909, as amended by L. 1992, ch. 218,

sec. 6; implementing K.S.A. 74-4905, as amended by L. 1992, ch. 218, sec. 1; effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993.)

80-8-7. Vacancy. In the case of a vacancy of a trustee elected by the members, the vacancy may be filled for the unexpired term by the appointment of a member by the remaining trustees of the board, in accordance with the standards for eligibility provided in K.S.A. 74-4905(a)(2), and amendments thereto. A vacancy by a trustee elected by school members shall be filled only with a school member, and a vacancy by a non-school trustee shall be filled only with a nonschool member. (Authorized by K.S.A. 1997 Supp. 74-4909(12), as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4905(a)(2), as amended by L. 1998, ch. 201, § 11; effective, T-80-1-22-93, Jan. 22, 1993; effective Aug. 9, 1993; amended, T-80-9-11-96, Sept. 15, 1996; amended Dec. 20, 1996; amended Sept. 10, 1999.)

Article 9.—INVESTMENTS

80-9-1. Common stock investment program. (a) The term “book value,” as used in K.S.A. 74-4921(5)(a) and amendments thereto, shall mean the original cost as adjusted according to generally accepted accounting principles, which shall be referred to as the “adjusted original cost.”

(b) Compliance with K.S.A. 74-4921(5)(a), and amendments thereto, shall be measured by dividing the adjusted original cost of the system’s common stock investments by the adjusted original cost of the system’s aggregate investments in all asset classes. (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4921, as amended by L. 2001, Ch. 1, Sec. 1 and as amended by L. 2001, Ch. 209, Sec. 20; effective Nov. 2, 2001.)

80-9-2. Alternative investment program. (a) As used in K.S.A. 74-4921(5)(b), and amendments thereto, the following shall apply:

(1) The “total of such alternative investments” shall mean the total value of funds actually invested in alternative investments and shall not include amounts committed for future investment. The total value of funds actually invested in alternative investments shall be determined by using market-value methodology.

(2) The “total investment assets of the fund”

shall be determined by using market-value methodology.

(b) Compliance with K.S.A. 74-4921(5)(b), and amendments thereto, shall be measured by dividing the market value of the system’s alternative investments by the market value of the system’s aggregate investments in all asset classes.

(c) The definition of “alternative investment” in K.S.A. 74-4921(b)(viii), and amendments thereto, shall not include securities traded pursuant to rule 144A of the general rules and regulations promulgated under the federal securities act of 1933. (Authorized by K.S.A. 2000 Supp. 74-4909; implementing K.S.A. 2000 Supp. 74-4921, as amended by L. 2001, Ch. 1, Sec. 1 and as amended by L. 2001, Ch. 209, Sec. 20; effective Nov. 2, 2001.)

Articles 10 to 44.—RESERVED

Article 45.—STATE SCHOOL RETIREMENT SYSTEM; RETIREMENT CREDIT

Editor’s Note:

Effective July 1, 1970, the state school retirement board was abolished and its powers devolved upon the board of trustees of the Kansas public employees retirement system. Regulations of the state school retirement board have been transferred to article 80 and assigned to this article 45.

80-45-1. Certification of teachers required to receive service credit. Any school employee performing service as a teacher in any school year must be the holder of a valid teaching certificate issued by the superintendent of public instruction on or before April 15 in order to receive service credit for such school year. (Authorized by K.S.A. 72-5506; effective Jan. 1, 1966.)

80-45-2. Substitute school service defined. For the purpose of construing and applying the provisions of K.S.A. 72-5512, a retired school employee: (a) Shall be considered to be performing school service as a substitute employee when he temporarily replaces a regular employee or when temporarily employed for an unfilled position until such time as a permanent employee can be secured, and when paid a per diem or at an hourly, weekly or monthly rate; and (b) when performing such substitute service, any fractional part of a day of such performance shall be counted as one day of school service. (Authorized by K.S.A. 72-5506; effective Jan. 1, 1966.)

80-45-3. Teaching day defined. The term

“teaching day” in K.S.A. 1965 Supp. 72-5512, is defined as one school day or any fractional part thereof. (Authorized by K.S.A. 72-5506; effective Jan. 1, 1966.)

80-45-4. Participation of full-time school lunch employees required. After September 1, 1965, any full-time school lunch employee on the regular payroll of a school district shall establish membership in the Kansas school retirement system unless exempted under the options provided in K.S.A. 72-5531. Such an employee shall be classified as full time when the job assignment requires 30 or more hours per week. (Authorized by K.S.A. 72-5506; effective Jan. 1, 1966.)

Articles 46 to 49.—RESERVED

Article 50.—POLICE AND FIREMEN; GENERAL

80-50-1. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-50-2. Application for participation. (a) No application for participation by an eligible employer for current employees shall be accepted unless it includes coverage for future employees. A supplemental application to provide coverage for an additional group or groups of employees of the participating employer shall be accepted by the board, with the additional coverage becoming effective on January first of the succeeding year.

(b) The term “employee groups,” as used in K.S.A. 74-4954(1), and amendments thereto, shall apply to only two groups of employees: police and firemen as defined in K.S.A. 74-4952, and amendments thereto. The provision for a supplemental application shall apply to any employer who has not applied for membership of both its police and firemen, and who wishes to add one of those groups after its initial application. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 74-4954, K.S.A. 1997 Supp. 74-4954a; effective Jan. 1, 1966; amended, E-66-16, Sept. 20, 1966; amended Jan. 1, 1967; amended Sept. 10, 1999.)

80-50-3. Request for proposal for coverage. (a) An eligible employer who desires to affiliate with the retirement system or a participating employer who wishes to file a supplemental application for coverage of an additional group or

groups of employees, as provided in K.S.A. 74-4954, and amendments thereto, shall, before filing an application for affiliation or a supplemental application for coverage, request the board to submit a proposal for the coverage that the employer desires not less than 60 days before filing the applications, unless the time is shortened by the board. The request for a proposal shall be on the forms provided by the retirement system and shall furnish all necessary data from which the proposal may be prepared.

(b) The data shall be forwarded to the actuary of the retirement system, who shall prepare an estimate of the employer’s contribution rate for the employer based on the data furnished and who shall furnish a written statement regarding its study to the board and to the employer. The cost of the study by the actuary shall be paid by the eligible employer requesting the study. The actuary shall prepare a written statement of the costs, and the employer shall make payment directly to the actuary. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 74-4954; effective Jan. 1, 1966; amended, E-66-16, Sept. 20, 1966; amended Jan. 1, 1967; amended Sept. 10, 1999.)

80-50-4 to 80-50-5. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-50-6. Benefit reduced by social security benefit. In determining the amount of benefit payment reductions in the case of a member whose employment is covered by social security as provided in K.S.A. 74-4966, and amendments thereto, the following principles shall apply. (a) Full social security benefits, not including medicare benefits, shall be considered. These benefits shall include both primary and secondary benefits.

(b) The act recognizes that employment with a participating employer is the primary source of the employees’ working-life income; therefore, the determination of the amount of the reduction in benefits related to the social security benefits accruing from employment with the participating employer shall be based on the following formula:

$$\frac{1}{2} \text{ of } \frac{\text{total wages covered by social security from participating employers from January 1, 1956 to date of retirement or death}}{\text{total of all wages covered by social security from January 1, 1956}} \times \text{Social Security Benefit}$$

(c) The reduction in benefits shall be made as soon as the benefit recipient becomes eligible to receive social security benefits.

(d) The annual dividend payments pursuant to K.S.A. 74-49,111 shall be the same current reduced benefit as in subsections (a), (b), and (c) above, which shall include all current cost-of-living adjustments. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4966, as amended by L. 1998, ch. 201, § 42; effective Jan. 1, 1966; amended, E-66-16, Sept. 20, 1966; amended Jan. 1, 1967; amended Sept. 10, 1999.)

80-50-7. Application of Kansas public employees retirement system rules and regulations. Except as otherwise provided by law or these rules and regulations, the rules and regulations of the Kansas public employees retirement system shall apply to the Kansas police and firemen's retirement system, insofar as the same are pertinent and applicable to the Kansas police and firemen's retirement system. (Authorized by K.S.A. 74-4909; amended, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967.)

80-50-8. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked Sept. 10, 1999.)

80-50-9. "Local police or firemen's pension system" defined. The phrase "local police or firemen's pension system" will be defined as meaning a system established under the provisions of K.S.A. 13-14a01 to 13-14a14 or K.S.A. 14-10a01 to 14-10a15 or other pension systems specifically designated by the Kansas legislature. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1969.)

Article 51.—POLICE AND FIREMEN; MEMBERSHIP

80-51-1 to 80-51-3. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-51-4. Membership of a sheriff. In accordance with K.S.A. 74-4955(4), and amendments thereto, to become a member, a sheriff shall file a written election on or before first taking office or the entry date of the sheriff's employer, whichever is later. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 74-4955; effective, E-66-

16, Sept. 20, 1966; effective Jan. 1, 1967; amended Sept. 10, 1999.)

80-51-5. (Authorized by K.S.A. 74-4902; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-51-6. Membership, leave of absence on entry date. It shall be the participating employer's responsibility to file with the retirement system within fifteen (15) days after the entry date, a list of all employees on any officially authorized and approved leave of absence on entry date, giving the beginning date, the purpose, the period of time, and where available, copies of the documents authorizing or approving such leaves. Any former employee of a participating employer who returns to such employment and who is not listed on such a list shall be treated as a new employee for retirement system purposes. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967.)

80-51-7. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked Sept. 10, 1999.)

Article 52.—POLICE AND FIREMEN; EMPLOYER ACCOUNT

80-52-1 to 80-52-3. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

Article 53.—POLICE AND FIREMEN; CREDIT AND BREAKS IN SERVICE

80-53-1. Prior service credit. (a) A member will receive prior service credit for service with his entry date employer whether as a policeman, a fireman or in some other capacity. For the purpose of determining service, employment in any part of a month shall be considered service for the month.

(b) Prior service credit for prior employment with the entry date employer other than as a policeman or fireman will be granted on the following basis:

(1) For each 24 months of such employment 12 months of service credit;

(2) Such prior service credit will be granted only for blocks of 24 months of such employment. (Authorized by K.S.A. 74-4909; effective, E-66-

16, Sept. 20, 1966; effective Jan. 1, 1967; amended Jan. 1, 1969.)

80-53-2 to 80-53-5. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked Sept. 10, 1999.)

80-53-6. (Authorized by K.S.A. 1977 Supp. 74-4909; effective May 1, 1978; revoked Sept. 10, 1999.)

Article 54.—POLICE AND FIREMEN; MEMBERS' ACCOUNTS

80-54-1 to 80-54-2. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; revoked Sept. 10, 1999.)

80-54-3. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended, E-66-16, Sept. 20, 1966; amended Jan. 1, 1967; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-54-4. (Authorized by K.S.A. 1977 Supp. 74-4909; effective May 1, 1978; revoked Sept. 10, 1999.)

Article 55.—POLICE AND FIREMEN; RETIREMENT

80-55-1. (Authorized by K.S.A. 74-4909; effective Jan. 1, 1966; amended, E-66-16, Sept. 20, 1966; amended Jan. 1, 1967; revoked Sept. 10, 1999.)

80-55-2 to 80-55-3. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked Sept. 10, 1999.)

80-55-4. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; amended Jan. 1, 1969; revoked Sept. 10, 1999.)

80-55-5 and 80-55-6. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked, E-69-2, Oct. 17, 1968; revoked Jan. 1, 1969.)

80-55-7. Benefits, eligibility for, years of service. For the purpose of computing the number of years of service to determine the eligibility of a member for any benefit, the years and months of credited prior service and the years and quarters of credited participating service shall be combined before rounding to the nearest whole year.

(Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967.)

80-55-8. Retirement allowance calculation; basis of. The following procedure shall be used for the purpose of determining the basis of the retirement allowance calculation. (a) Months of prior service credited to a member shall be divided by 12 to arrive at the total number of years; any decimal remainder shall be converted to quarters. Quarters of participating service credited to a member shall be divided by four to arrive at the total number of years and quarters. Total prior service years and quarters shall be added to total participating service years and quarters, including all purchased service, to arrive at the total number of years and quarters available. If the remainder is two quarters or more, it shall be counted as an additional year; if the remainder is fewer than two quarters, it shall be disregarded.

(b) For the determination of "final average salary," a year shall consist of a four-quarter block of credited service in the last five years of service, whether continuous or not. The four quarters selected shall be taken in sequence, as earned, not selected at random.

(c) The last quarter of compensation before the member's retirement date may be excluded if the member's retirement benefit would be adversely affected by including this quarter of compensation. (Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4958, as amended by L. 1998, ch. 64, § 69, 74-4958a, as amended by L. 1998, ch. 64, § 70; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; amended Sept. 10, 1999.)

80-55-9. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked, E-69-2, Oct. 17, 1968; revoked Jan. 1, 1969.)

Article 56.—POLICE AND FIREMEN; ACTUARIAL TABLES

80-56-1. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; revoked, E-72-27, Sept. 29, 1972; revoked Jan. 1, 1973.)

80-56-2. (Authorized by K.S.A. 74-4909; effective, E-66-16, Sept. 20, 1966; effective Jan. 1, 1967; amended Jan. 1, 1969; revoked, E-72-27, Sept. 29, 1972; revoked Jan. 1, 1973.)